

Message Text

UNCLASSIFIED

PAGE 01 GUATEM 03281 181555Z

43

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FEA-02 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01 USIA-15

DRC-01 (ISO) W

----- 072136

R 181530Z JUN 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 3418

UNCLAS GUATEMALA 3281

E.O. 11652: N/A

TAGS: N/A

SUBJECT: NEW PETROLEUM DECREE

1. ON JUNE 12 GUATEMALAN CONGRESS PASSED DECREE 62-74 REGARDING DEVELOPMENT OF PETROLEUM RESOURCES. DECREE EFFECTIVELY AMENDS 1955 PETROLEUM CODE, AUTHORIZING USE OF PETROLEUM OPERATIONS CONTRACTS RATHER THAN GOVERNMENT GRANTED CONCESSIONS AS BASIS FOR EXPLORATION AND/OR EXPLOITATION OF PETROLEUM. DECREE ALSO ALTERS TAXATION SYSTEM APPLICABLE TO PETROLEUM OPERATIONS IN GUATEMALA. PETROLEUM COMPANIES WILL NOW PAY AN IN-KIND TAX EQUIVALENT TO 40 PERCENT OF TOTAL PETROLEUM PRODUCTION. DECREE ESTABLISHED THAT OPERATIONS CONTRACTS WILL BE OF NO MORE THAN 30 YEARS DURATION AFTER WHICH ALL PROPERTY OF COMPANY WILL REVERT TO STATE. DURING PERIOD OF CONTRACTS, HOWEVER, THERE IS NO REQUIRED PERCENTAGE OF GUATEMALAN EQUITY PARTICIPATION. AS EXPECTED, THE CONTRACT HOLDERS WILL BE EXONERATED FROM PAYMENT OF IMPORT DUTIES ON NECESSARY EQUIPMENT AND RAW MATERIALS NOT AVAILABLE WITHIN GUATEMALA, AND EXPORTS OF OIL WILL BE EXEMPTED FROM DUTIES OF ANY KIND.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GUATEM 03281 181555Z

2. SPECIFIC REGULATIONS REGARDING THE INTERPRETATION

AND APPLICATION OF THE LAW WILL BE PREPARED BY BUREAU
OF MINES AND HYDROCARBONS SOON. EMBASSY WILL AWAIT
PUBLICATION OF THESE REGULATIONS BEFORE OFFERING MORE
DETAILED ANALYSIS SINCE REGULATIONS WILL FORM
BASIS FOR SERVICE CONTRACTS.
MELOY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, PETROLEUM PRODUCTION, NATURAL RESOURCES, EQUIPMENT, RAW MATERIALS, LAW, CENTRAL LEGISLATURE, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GUATEM03281
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740159-0385
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740637/aaaabfcl.tel
Line Count: 67
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 AUG 2002 by PhilliR0>; APPROVED <13 JAN 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW PETROLEUM DECREE
TAGS: ENRG, GT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005